



MOTION PICTURE ASSOCIATION
OF AMERICA, INC.
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FEDERAL COMMUNICATIONS COMMISSION
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December 23, 1992

FRITZ E. ATTAWAY
SENIOR VICE PRESIDENT
GOVERNMENT RELATIONS

BY HAND

Ms. Donna Searcy
Secretary
Federal Communications Commission
1919 M Street, NW
Room 220
Washington, DC 20554

RE: FCC OPP Docket No. 92-234.
In The Matter Of The Commission's
Inquiry into Encryption Technology
for Satellite Cable Programming

Dear Ms. Searcy:

Please find attached an original and nine copies of informal comments in the Commissions's Inquiry into Encryption Technology for Satellite Cable Programming filed today in the above referenced proceeding.

If you have any questions please contact the undersigned.

Sincerely,

Attachment

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Robert M. Pepper, Chief
Office of Plans & Policy
Federal Communications Commission
Room 822
1919 M St. NW
Washington, D.C. 20554

Dear Mr. Pepper:

The Motion Picture Association of America, Inc. (MPAA) would like to offer informal comments in the Commission's Inquiry into Encryption Technology for Satellite Cable Programming (OPP Docket No. 92-234).

MPAA is a trade association representing seven major U.S. producers and distributors of television and home video entertainment. As program suppliers for both over-the-air and satellite-delivered cable programming, MPAA's member companies have a significant interest in the continuing development of secure encryption technology.

The Commission, in the above-referenced Notice of Inquiry, seeks detailed answers to a number of questions regarding competition in the business of encrypting video programming signals delivered by satellite. Many of these questions are highly technical in nature and are therefore

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better addressed by equipment manufacturers and other direct participants in the industry rather than those who supply programs.

Pending the creation of a record by the above-referenced participants, MPAA wishes to reserve comment on the Commission's NOI. Nevertheless, the MPAA member companies strongly endorse the idea of competition in the marketplace as the best means of producing the most secure technology at the lowest cost to consumers. To that end, we support the Commission's proposal to require that the Direct Broadcast Satellite Authorization Center be opened to use by all providers of legal and compatible descrambling modules, if such a move is technically feasible. We believe the burden of proof against such a move should be on the operators of the DBS Authorization Center .

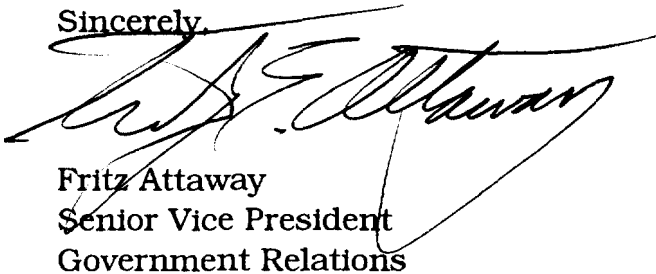
Encryption is essential to the continued development of a vibrant, competitive HSD market, to which program suppliers will be attracted. A monopoly, *de facto* or *de jure*, over encryption technology would disserve program suppliers, program distributors and consumers.

In previous proceedings, in 1987, 1988 and 1989, the Commission looked into and rejected the possibility of establishing a government standard for encryption technology. MPAA continues to oppose adoption of a government-set standard on the basis that the best solution will be found in the marketplace. The market has, in fact, produced a *de facto* standard, however imperfect, and the freedom of the marketplace will allow for faster and easier development of improvements in encryption technology.

The expiration of Titan Corporation's non-compete agreement on the VideoCipher technology provides an opportunity for the emergence of true competition in the encryption marketplace. Other potential competitors in encryption are also on the horizon, e.g., News Corp's News Data Communications. However, under current market conditions, opening up of the DBS Authorization Center would seem to be a prerequisite for competitive entry.

MPAA commends the Commission for the depth of its inquiry and looks forward to reviewing the answers provided for the record, in order to determine if reply comments are in order.

Sincerely,

A handwritten signature in black ink, appearing to read "Fritz Attaway", written over a large, stylized, handwritten "V" or similar mark.

Fritz Attaway
Senior Vice President
Government Relations

cc: Chairman Alfred Sikes
Commissioner Jim Quello
Commissioner Sherrie Marshall
Commissioner Andrew Barrett
Commissioner Ervin Duggan
Jonathan Levy, OPP
Donna Searcy, FCC Secretary